

Chapter 2. Creating a Framework for TOD

“Transit-oriented communities are characterized by design and development patterns that are conducive to the use of transit.”

Federal Transit Administration, “Building Livable Communities with Transit”, Office of Planning, September 1999

Livable Communities

Developers have long known how to successfully implement and profit from building conventional residential, commercial, urban, suburban, industrial, and office development projects. TOD incorporates, modifies, and integrates these conventional development products to create walkable communities that are less dependent on the automobile.

^{1} “Communities throughout the United States are pursuing patterns of development that make walking and transit use more convenient. Major land use incentives – which seek to make possible effective alternatives to auto-dependent lifestyles – are underway in metropolitan regions as diverse as those in Salt Lake City, San Diego, Minneapolis/St. Paul, Orlando, Washington, D.C., and Portland...”

These efforts respond to the myriad of problems attributable to the boundless mobility of the car. This mobility makes dispersed destinations increasingly reachable, but at a cost. Faced with mounting congestion and longer commutes, interest in smarter forms of growth has mushroomed. The primary building block of these smart growth efforts is transit-oriented development. ” ^{1}



Whisman Station in Mountain View

The TOD Strategy

^{2} “The [TOD strategy] seeks to address the most pressing problems: urban sprawl, escalating traffic congestion, non-attainment of regional air quality standards, and growing demand for housing opportunities which meet the needs of an increasingly diverse population. These growth strategies [TOD] also recognize that reliance upon typical patterns of low density urban development will not address these problems, and new forms of urban development are needed.... Consistent with these concerns [are] the following guiding principles:

“Communities have always developed along transportation routes, and savvy real estate developers have always been there to lead or participate in their growth.”

Jim Miara, “On Route”, Urban Land Institute, May 2001

Note: Because of the volume and length of many of the quotations in this document, a bracket symbol with corresponding footnote reference number is placed at the beginning and ending of each quotation.

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“Strategic Improvement Plan for the City of Auburn, Washington

The City of Auburn undertook an ambitious Main Street Improvement Project to prepare the downtown for ultimate transit station development and to encourage private investment. Based on a strategic downtown improvement plan, the City initiated a series of street and pedestrian improvements that, along with a reduced interest loan program, led to significant private storefront and parking improvements. With a much more attractive setting, the City is poised to take advantage of the potential station area development opportunities.”

Puget Sound Regional Council, “Creating Transit Station Communities in the Central Puget Sound Region – A Transit-Oriented Development Workbook”, June 1999 (<http://www.psrc.org/projects/tod/index.htm>)

- Maximize the use of existing urbanized areas.
- Reduce [fuel] consumption [in] non-urban areas.
- Link land use with transit.
- Reduce the number of auto trips and regional Vehicle Miles Traveled (VMT).
- Reduce air pollutant emissions.
- Provide a diversity of housing types.
- Design the urban area efficiently.



Passengers boarding a Sacramento Regional Transit light-rail car.

In the TOD strategy, new moderate and high density housing, as well as new public uses and a majority of neighborhood serving retail and commercial uses, will be concentrated in mixed-use developments located at strategic points along the regional transit system. The linkage between land use and transit is designed to result in an efficient pattern of development that supports a regional transit system and makes significant progress in reducing traffic congestion and air pollutants. The

TOD’s mixed-use clustering of land uses within a pedestrian-friendly area connected to transit provides for growth with minimum environmental and social costs.” ^{2}}



Treat Towers near Pleasant Hill BART station in Walnut Creek.

Demonstrate Public Commitment to Private Investment

³ “‘Private investment follows public commitment’ is the advice given by public and agency officials who have worked with the development community to move TOD plans from the shelf to the ground.

Knowledgeable private investors and developers are often reluctant to ‘pioneer’ non-traditional developments. This is especially true in locations that are economically distressed, have little in the way

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“To be effective, transit agency representatives must be involved early, while the site plan – and the developer’s budget – are still relatively flexible.”

Snohomish County Transportation Authority, “Participating in Community Planning: Ideas for Public Transit Agencies”, October 1993

of recent investment by others, or have a reputation for crime or other social problems. A station area plan should outline the public investments necessary to spur private development. The most significant barriers to investment must be removed or neutralized by public commitment in the form of personnel and capital. This sends a clear signal that the public sector is prepared to pave the way and make it safe for private capital to follow.” ^{3}}

Market Potential Development Opportunities

⁴ “The marketing strategy should be used as a vehicle to ‘sell’ transit-oriented development opportunities at the station area to the variety of players that make up the development community – developers, property owners, bankers and others.” ^{4}}

Establish Development Incentives

⁵ “Often developers will need an incentive of some sort if they are going to commit to the generally more risky practice of transit-oriented development. A wide variety of incentives are available to local jurisdictions to foster private development interest. Incentives can be in the form of:

- Density bonuses for providing certain amenities,
- Favorable permit review procedures for certain development, or
- Direct cash outlays for public improvements that support a development.” ^{5}}

⁶ “Incentives that have been tried with success include covering the cost of a market analysis for a site or preparing a prototypical pro-forma

to demonstrate the feasibility of various types of development to potential financiers. One of the strongest incentives that have been used is a tax incentive. Both Minneapolis/St. Paul and Portland, Oregon provide developers the potential for reductions in their property taxes if certain conditions are met.” ^{6}}



Union Station in Los Angeles is next to a TOD.

Provide Public Facilities and Infrastructure

⁷ “Before private capital will come to a station area, some infrastructure improvements are often needed to improve the safety, appearance, or function of a location. Infrastructure investments also demonstrate a public commitment to an area and can signal increased investments over time – always a good sign to the development community. BART, in California, and other systems have used this strategy with considerable success. Some of the public improvements at station areas could include a police substation, a pedestrian plaza, a bus turnaround facility, new drainage and water systems, and placing certain utilities underground.” ^{7}}

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{⁸ “Public facilities, such as libraries, performing arts centers, recreation centers, parks, and city halls can be a powerful magnet. In developing a capital improvement program, each location should

develop a strategic plan for investments in public facilities and infrastructure that support transit-oriented locations near the station facility.” ⁸}

Removing Barriers to TOD Implementation

Minimize the Financial Risk

- Make it easier to obtain financing
- Conduct financing workshops and tours with lenders
- Show successful floor-area-ratio and reduced parking examples
- Show examples of diversified products and faster market absorption

Provide Options for Financing*

- Seek Federal Funds
- Use Housing and Community Development Funds
- Establish a Main Street Program
- Apply for Historic Preservation Tax Credits
- Establish a Redevelopment Area
- Set up Public-Private Partnerships
- Build on Public and Tax-Delinquent Land
- Establish Special Assessment Districts
- Use the General Fund
- Subsidize the Retail Component
- Pursue Grants and/or Local Donations

Establish Cost-Saving Measures into the TOD Project Sites*

- Zone Appropriate Properties “By-Right”
- Streamline the Permit Process for Desired Projects
- Reduce or Delay Development Fees
- Adjust Level of Service Requirements
- Reduce Parking Requirements
- Establish Enterprise Zones in Older Activity Centers
- Educate Banks and Provide Loan Guarantees
- Conduct Market Studies and Marketing
- Seek Free/Low-Cost Technical or Material Assistance

*Peninsula Corridor Joint Powers Board, “Transit-Oriented Development Guidelines – Building a Gateway to Community with Strategies for Infill, Redevelopment and New Growth Along the Caltrain Corridor”, October 1997

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Participate in the Private Development Process

{⁹ “Package and assemble land for development – Public action in helping to package, secure and assemble land for transit-oriented development purposes can be one of the more powerful tools for creating transit station communities. Assembly of land can be an effective way to achieve development that is of sufficient size to be economically viable and spur a change in station area land use patterns.” ⁹}

{¹⁰ “Participate in or help in securing public financing – In some cases, aggressive financial participation and risk sharing can help to stimulate transit-oriented development. One means of risk sharing is the underwriting of land costs in return for project participation. As an example, an agency might accept below market rents on land leased to a developer in return for a percentage of the project revenues over a specified period. Transit agencies throughout the country have used this technique with success including BART in San Francisco, Metro in Washington DC, and in San Diego.” ¹⁰}

{¹¹ “Participate in Joint Development – ‘Joint development’ involves public and private sector co-operation in planning, design and construction of residential, commercial, or mixed-use projects near transit in a manner that maximizes the skills and contributions of each sector. Joint development is based on the concept that transit investment and commercial development can be integrated to create value, both financially and in terms of public benefit.” ¹¹}



Public Participation Workshop

Development Opportunities at Different Station Locations

Regional Urban Center

A regional urban center is an area of high density and intensity of uses that supports the primary transit connections in the region.

Types of Development Opportunities:

- Mixes of high density and high intensity uses which include mid-rise and high-rise offices, retail and specialty shopping, support services, high and medium density residential, and cultural and public facilities, and
- Opportunities for redevelopment and infill development.

Go Out “Into the Field”

“Take a walk around the community. Visit transit and transportation facilities and observe what kind of activities occur there. Talk to people and ask them what works and what doesn’t work about the place. Listen to their suggestions. Through this process, you will develop a better understanding of how a place operates and how it can be improved.”

Project for Public Places, Inc., “How Transportation and Community Partnerships are Shaping America, Part I: Transit Stops and Stations”, 1999

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Community or Town Center

A community or town center is a focal point for a smaller community or a major grouping of neighborhoods.

Types of Development Opportunities:

- Medium to high-density housing, commercial uses and office uses,
- Redevelopment and infill opportunities,
- Scale of development is lower in neighborhoods, and
- Small-scale mixed uses along main streets connecting to transit facility.

Emerging Suburban Center

A typical suburban center is a gathering place, such as a shopping center or office park.

{12} “Types of Development Opportunities:

- Primarily commercial and office-related uses, with some opportunities for medium density multi-family development, and
- Opportunities for future development of parking lots and redevelopment of obsolete buildings.” {12}



A café, a community center and apartment houses in San Diego's Uptown District.



Drugstore across from Downtown Berkeley BART station

Retail Opportunities Adjacent to Transit Facilities

{13} “Retail developments can serve transit riders going to and from bus stops and rail stations while at the same time capturing the neighborhood walk-in market. The design of these developments can emphasize the pedestrian environment, without sacrificing convenient auto access to do so. In addition, transit riders don’t need parking, minimizing land cost in urban areas.” {13}

Retail Opportunities in the Station Areas

{14} “Small retail stores and services on a traditional commercial street can capture much of the transit riding market by ensuring that the mix of businesses serves riders needs, acknowledges their time constraints, and provides an attractive environment for patrons who might drop in to or from work. Merchant associations and chambers of commerce can be effective partners in addressing these issues.” {14}

Maintain Station Areas with Community Involvement

{15} “Block clubs, community groups, and business associations can help strengthen these markets by participating in cooperative efforts to improve connections to transit. Volunteer neighborhood clean-up efforts, adopt-a-station programs, and landscape maintenance can contribute greatly and set the tone for cooperation.” {15}

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St. Rose of Lima Park station is the most heavily used light-rail station in Sacramento; it is adjacent to Downtown Plaza and K Street Mall.

Provide Long-Term Value

Profiting with TOD may not happen overnight – the bottom line of the TOD strategy requires a long-term commitment to growing smart and creating neighborhoods with long-term value.

{¹⁶ “The new real estate developer needs to become an expert in community building and to adjust their business expectations to a longer term view. New Urbanist developers are building much more into their communities (street trees, parks, and other amenities); thus, it takes longer to harvest the full value of their investment. A New Urbanist developer needs to look to a time horizon of 20 to 30 years, not just the first 5 years when most lots and new homes have sold.” ¹⁶}

{¹⁷ “If you are a transportation agency, reach out to community organizations, businesses, and local officials to elicit their ideas and opinions – and support. If you are a community organization, get in touch with the staff of your transportation or transit agency. Invite them for a tour or site visit of an existing or proposed project. Discuss ways of working together to plan, design, and implement a project.” ¹⁷}



Hollywood Highland

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References

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- 3 Puget Sound Regional Council, *Creating Transit Station Communities in the Central Puget Sound Region – A Transit-Oriented Development Workbook*, June 1999.
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- 17 Project for Public Places, Inc., *How Transportation and Community Partnerships are Shaping America, Part I: Transit Stops and Stations*, 1999.